

Update on Economic Measures Announced by the Governments of Québec and Canada – COVID-19

This document contains updates as of April 21, 2020 from the Department of Finance on the Canada Emergency Wage Subsidy.

CANADA EMERGENCY WAGE SUBSIDY

After much confusion around application rules, the Department of Finance has clarified the terms of the Canada Emergency Wage Subsidy. These clarifications are **very important** for determining eligibility.

Calculation of the subsidy

Reminder of the claim periods:

	Claim periods
Period 1	March 15 to April 11
Period 2	April 12 to May 9
Period 3	May 10 to June 6

To qualify for the subsidy, employee remuneration must actually be paid. To calculate the subsidy, however, you must use the remuneration earned for the reference period and not the date on which remuneration was paid.

Example

Period 2 runs from April 12 to May 9. You pay your employees on Thursday, May 21, 2020 for the previous two workweeks, running from May 3 to 16, 2020. Not all the remuneration paid on Thursday, May 21 will be included in claim period 3. Rather, it must be divided among two periods:

- Remuneration paid on Thursday, May 21 that pertains to May 3 to 9: for the purposes of calculating the subsidy, this shall be included in claim period 2
- Remuneration paid on Thursday, May 21 that pertains to May 10 to 16: for the purposes of calculating the subsidy, this shall be included in claim period 3

In other words, payday dates are irrelevant. It is the remuneration pertaining to the reference period that must be used when calculating the subsidy.

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Eligible employees

In our last update, we informed you that employee remuneration shall be eligible for a particular claim period only if the employee has not been without remuneration from the employer for at least 14 consecutive days during that 28-day claim period.

For example, your business is open from Monday to Friday every week. You re-hire an employee on April 26. The employee will begin earning pay starting Monday, April 27. Remuneration paid to this employee for the period from April 26 to May 9 will not be eligible. The employee will be considered to have been without remuneration from the employer for 15 consecutive days (from April 12 to 26). However, if you re-hire this same employee on Friday, April 24, remuneration paid to them during the period from April 24 to May 9 will be eligible because the employee will be considered to have been without remuneration from the employer for only 12 consecutive days (from April 12 to 23) during the 28-day period.

Remuneration does not need to actually be paid to an employee for the employee to be considered to be receiving it. The employee only needs to earn pay for a particular day.

For example, your business is open from Monday to Friday every week. You re-hire an employee on Friday, April 24, 2020. However, your company only pays employees every two weeks. The re-hired employee will receive a paycheque on Thursday, May 7, 2020. The employee will be considered to be receiving pay starting Friday, April 24, and not May 7. As such, the employee will not have been without remuneration from the employer for at least 14 consecutive days during period 2, and remuneration paid on May 7 will be eligible for the subsidy.

How to apply for the subsidy

Starting April 27, you will be able to apply for the subsidy online by logging on to your My Business Account. If you have signed an authorization form, your professional representative can file the application on your behalf. Please contact us if you would like more information. The amount of time it will take to receive the subsidy is still unknown; the government is currently providing only a minimum wait time of several days, without confirming a maximum.